



DISASTER NEWS

Economic Injury Loans for Small Businesses

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SBA DISASTER LOAN ASSISTANCE TOPS \$10 MILLION FOR SMALL BUSINESSES AFFECTED BY THE JANUARY FREEZE

Sacramento, CA – Bruce Thompson, the U. S. Small Business Administration's (SBA) Regional Administrator, announced today that SBA has approved \$10 million in Economic Injury Disaster Loans (EIDLs) to small businesses hurt by the California freeze that occurred last January.

These are working capital loans of up to \$1.5 million at an interest rate of 4 percent with terms up to 30 years. "The loans may be used to pay fixed debts, payroll, accounts payable and other bills that can't be paid because of the disaster's impact. The loans also provide vital economic assistance to small businesses to help them overcome the loss of revenue they are experiencing due to the freeze," said Thompson.

EIDLs are available to small, non-farm businesses who have suffered financial losses due to the freeze itself or due to freeze damage to crops such as citrus. These loans are available to small businesses that are dependent on growers of citrus and other freeze-impacted crops. Eligible small businesses also include those who do business directly with the growers or other agricultural producers such as packinghouses, truckers and suppliers of agricultural equipment or services. Owners of small "main street" businesses whose customers are dependent on agriculture income, such as diners, gas stations, markets, etc. may also apply for these disaster loans.

By law, agricultural enterprises such as citrus growers and vegetable growers are not eligible for SBA disaster assistance. Citrus and vegetable growers, farmers and ranchers should contact the U.S. Department of Agriculture (USDA) for information on assistance programs they may have available.

Small business owners may obtain information by calling toll-free (800) 659-2955 or visiting SBA's website at www.sba.gov/services/disasterassistance. Hearing impaired individuals may call toll-free (800) 877-8339.

The EIDLs are still available to help small businesses impacted by the freeze. The deadline to apply for these loans is **October 24, 2007**.